

Message Text

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66

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-11 INR-11 LAB-06

NSAE-00 RSC-01 SIL-01 OMB-01 TRSE-00 PA-04 PRS-01

USIA-15 DRC-01 /073 W

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FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 3313

LIMITED OFFICIAL USE MEXICO 6960

E.O. 11652: N/A

TAGS: ELAB, MX

SUBJ: WAGE INCREASE DEVELOPMENTS

REF: MEXICO 6722

1. SECONDARY LEADER OF FEDERATION GOVERNMENT EMPLOYEES AND YOUTH DIRECTOR OF NATIONAL EXECUTIVE COMMITTEE OF PRI EXPLAINED TO LABATT ON AUG. 15, 1974 THE CONCERN OF PRESIDENCY OVER INFLATION. HE SAID GOM TRYING AVOID FLAT PERCENTAGE COST-OF-LIVING INCREASE FOR GOVERNMENT EMPLOYEES. GOM SEARCHING FOR METHOD WHEREBY GOVERNMENT EMPLOYEES WILL RECEIVE SOME FORM OF COMPENSATION IN CASH TERMS RATHER THAN PERCENTAGE TERMS. HE SAID THE AVERAGE PERCENTAGE INCREASE IN THE CONSUMER PRICE INDEX SINCE SEPTEMBER 1973 IS 11.1 PERCENT BUT THIS WOULD BE TOO LITTLE FOR LOW PAID GOVERNMENT OFFICIALS. PRIVATE SECTOR TRADEUNIONISTS NOT INTERESTED IN AVERAGING CONSUMER PRICE INDEX. THEY PREFER CALCULATE TOTAL INCREASE PLUS WHAT THEY CLAIM THEY LOST OVER AND ABOVE 20 PERCENT RECEIVED SEPT. 1973. FIDEL VELAZQUEZ OF CTM HAS ALREADY ORGANIZED FLOOD OF STRIKE SUMMONSES FROM ALL REGIONS DEMANDING 35 PERCENT INCREASE BEFORE DEADLINE SEPT. 20, 1974. VELAZQUEZ ALSO DEMANDING GOM INITIATE EXCESS PROFITS LEGISLATION CLAIMING MANY ENTERPRISES ARE GOUGING CONSUMERS. EMPLOYER ASSOCIATION REPRESENTATIVES PUBLICLY WARNING NATION OF INFLATIONARY CYCLE DANGERS.

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2. COMMENT: NOT YET CLEAR WHETHER PRESIDENT ECHEVERRIA IN
HIS SEPT. 1 ANNUAL SPEECH TO NATION WILL ANNOUNCE AMONG OTHER
THINGS, METHOD AND AMOUNT OF ADJUSTING FEDERAL EMPLOYEES
SALARIES WHICH WOULD INFLUENCE PRIVATE SECTOR NEGOTIATIONS.
BRANDIN

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Message Attributes

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Channel Indicators: n/a
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Concepts: COST OF LIVING, WAGES, INFLATION, PRIVATE ENTERPRISE, LABOR OBJECTIVES, GOVERNMENT PERSONNEL, RETAIL PRICE INDEXES
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